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December 21, 1933

FOR THE PRESS

FOR RELEASE AT SIX O'CLOCK P.M. EASTERN STANDARD TIME
TODAY

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STATEMENT BY THE PRESIDENT

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Under the clear authority granted to me by the last session of the Congress, I have today, by proclamation, proceeded to ratify the London agreement with regard to silver, which has already been put into effect by the Government of India, and which I understand other nations concerned are about to act on.

This proclamation, in accordance with the Act of Congress, opens our mints to the coinage of standard silver dollars from silver hereafter produced in the United States or its possessions, subject to the depositors of such silver surrendering to the government one-half of it as seigniorage and to cover all usual charges and expenses. The dollars coined from half of such newly mined silver will be returned to the depositor. The half surrendered to the government will be retained in the Treasury.

It will be remembered that at the London Conference 66 governments unanimously adopted the silver resolution proposed by our government, providing in substance that these governments would refrain from the policy and practice of melting up and debasing silver coins; that they would replace low-valued paper money with silver coins; and that they would not enact legislation that would depreciate the value of silver in the world market. This resolution, however, was contingent upon an agreement between the governments of those countries producing large quantities of silver and the governments of those countries holding or using large quantities, looking to the elimination of an unnatural oversupply of silver on the markets of the world. This agreement, of course, was for the purpose of allowing demand and supply to govern the price of silver by the limitation and neutralization of this oversupply derived from the melting up of silver coins.

India had the power to dispose of, on the markets of the world, at any time, and at any price, hundreds of millions of ounces of silver. In fact, India had the power and capacity to dump silver derived from the melting up of Indian silver coins in an amount equal to the world's production from the mines for the period of two years. This power and the uncertainty attending its execution was destructive of the value and stability of silver throughout the world.

China agreed, during the period of four years commencing January 1, 1934 and ending January 1, 1938, not to permit the sale of any silver derived from the debasing or melting up of silver coins. India agreed to limit the sales of such silver to a maximum of 35,000,000 ounces annually during such period and Spain agreed not to sell in excess of 5,000,000 ounces of such silver annually during such period. After such sales, these governments are to be bound by the general resolution adopted at the London Conference to which I have heretofore referred.

As a condition of the agreement by China, India and Spain, however, it was required that Australia, Canada, Mexico, Peru and the United States should take silver from the production of their respective mines to the gross amount of 35,000,000 ounces annually for such period of four years. The United States, by reason of its large population and its large silver production, agreed to take from its mines annually at least 24,421,410 ounces of silver during such period.

The production of the United States for 1932 was approximately 24,000,000 ounces of silver.

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COINAGE OF SILVER

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by paragraph (2) of section 43, Title III, of the Act of Congress, approved May 12, 1933 (Public No. 10), the President is authorized "By proclamation to fix the weight of the gold dollar in grains nine-tenths fine and also to fix the weight of the silver dollar in grains nine-tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, * *"; and

WHEREAS, from investigations made by me, I find it necessary, in aid of the stabilization of domestic prices and in accordance with the policy and program authorized by Congress, which are now being administered, and to protect our foreign commerce against the adverse effect of depreciated foreign currencies, that the price of silver be enhanced and stabilized; and

WHEREAS, a resolution presented by the Delegation of the United States of America was unanimously adopted at the World Economic and Monetary Conference in London on July 20, 1933, by the representatives of sixty-six Governments, which in substance provided that said Governments will abandon the policy and practice of melting up or debasing silver coins; that low valued silver currency be replaced with silver coins and that no legislation should be enacted that will depreciate the value of silver; and

WHEREAS, a separate and supplemental agreement was entered into, at the instance of the representatives of the United States, between China, India, and Spain, the holders and users of large quantities of silver, on the one hand, and Australia, Canada, Mexico, Peru, and the United States on the other hand, as the chief producers of silver, wherein China agreed not to dispose of any silver derived from the melting up or debasement of silver coins, and India agreed not to dispose of over 35,000,000 ounces of silver per annum during a period of four years commencing January 1, 1934, and Spain agreed not to dispose of over 5,000,000 ounces of silver annually during said period, and both of said Governments agreed that at the end of said period of four years they would then subject themselves to the general resolution adopted at the London Conference, and in consideration of such limitation it was agreed that the Governments of the five producing countries would each absorb from the mines in their respective countries a certain amount of silver, the total amount to be absorbed by said producing countries being 35,000,000 ounces per annum during the four years commencing the 1st day of January, 1934; that such silver so absorbed would be retained in each of said respective countries for said period of four years, to be used for coinage purposes or as reserves for currency, or to otherwise be retained and kept off the world market during such period of time, it being understood that of the 35,000,000 ounces the United States was to absorb annually at least 24,421,410 ounces of the silver produced in the United States during such period of time.

NOW, THEREFORE, finding it proper to cooperate with other Governments and necessary to assist in increasing and stabilizing domestic prices, to augment the purchasing power of peoples in silver-using countries, to protect our foreign commerce against the adverse effect of depreciated foreign currencies, and to carry out the understanding between the sixty-six Governments that adopted the resolution hereinbefore referred to; by virtue of the power in me vested by the Act of Congress above cited, the other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, FRANKLIN D. ROOSEVELT, President of the United States of America, do proclaim and direct that each United States coinage mint shall receive for coinage into standard silver dollars any silver which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined, subsequently to the date of this proclamation, from natural deposits in the United States or any place subject to the jurisdiction thereof. The Director of the Mint, with the voluntary consent of the owner, shall deduct and retain of such silver so received fifty per cent as seigniorage and for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received, that is, fifty per cent thereof, shall be coined into standard silver dollars and the same, or an equal number of other standard silver dollars, shall be delivered to the owner or depositor of such silver. The fifty per cent of such silver so deducted shall be retained as bullion by the Treasury and shall not be disposed of prior to the thirty-first day of December, 1937, except for coining into United States coins.

The Secretary of the Treasury is authorized to prescribe regulations to carry out the purposes of this proclamation. Such regulations shall contain provisions substantially similar to the provisions contained in the regulations made pursuant to the Act of Congress, approved April 23, 1918, (40 Statutes at Large, Page 535), known as the Pittman Act, with such changes as he shall determine prescribing how silver mined, subsequently to the date of this proclamation from natural deposits in the United States or any place subject to the jurisdiction thereof, shall be identified.

This proclamation shall remain in force and effect until the thirty-first day of December, 1937, unless repealed or modified by Act of Congress or by subsequent proclamation.

The present ratio in weight and fineness of the silver dollar to the gold dollar shall, for the purposes of this proclamation, be maintained until changed by further order or proclamation.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 21st day of December, in the year of our Lord nineteen hundred and thirty-three, and of the Independence of the United States of America the one hundred and fifty-eighth.

FRANKLIN D. ROOSEVELT

By the President:

WILLIAM PHILLIPS

Acting Secretary of State.